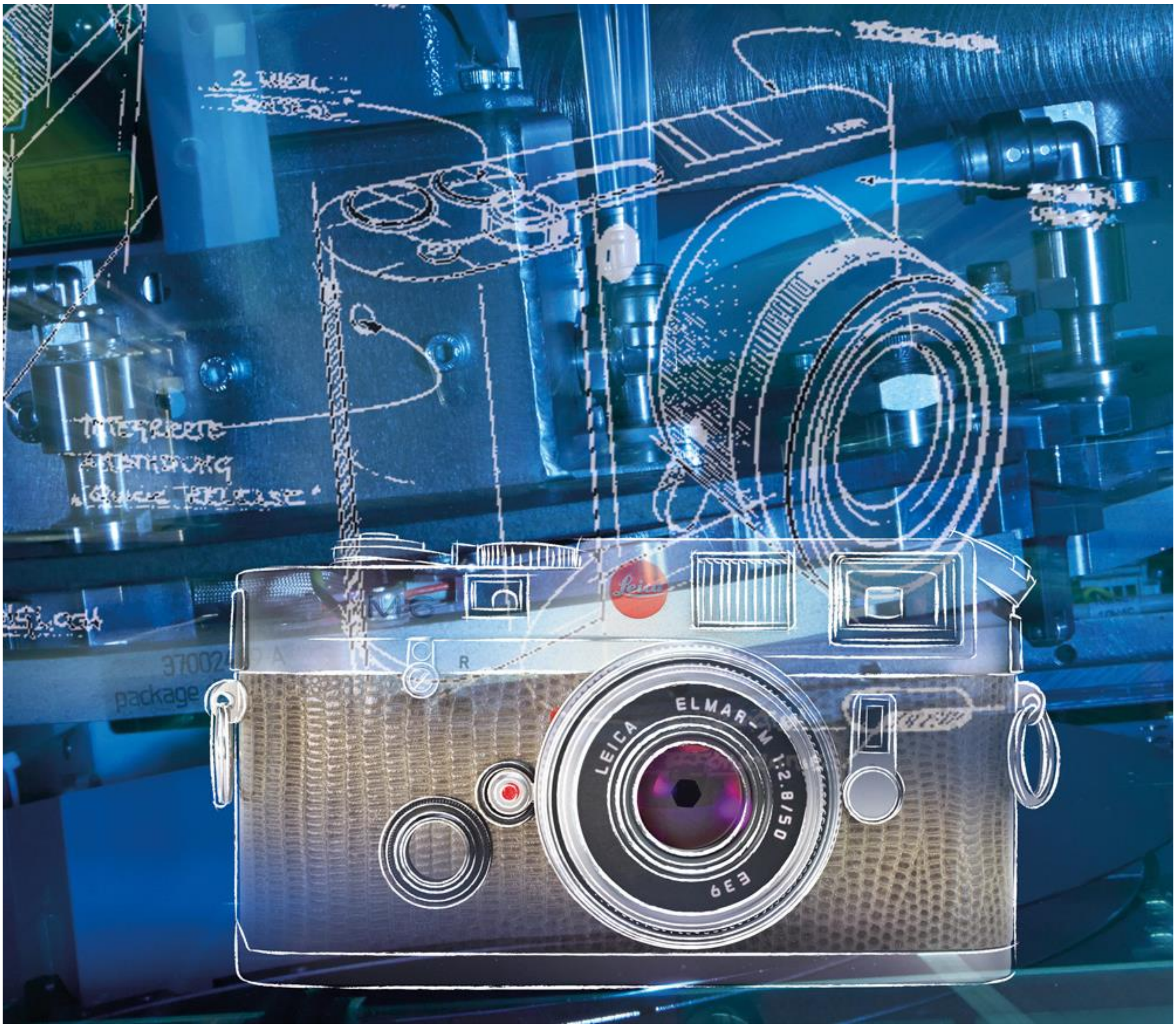
BE SEMICONDUCTOR INDUSTRIES N.V.

DUIVEN, THE NETHERLANDS

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2019

Content Unaudited Condensed Interim Consolidated Financial Statements June 30, 2019

Report of the Board of Management



This report contains the semi-annual financial report of BE Semiconductor Industries N.V. ("Besi" or "the Company"), a Company which was incorporated in the Netherlands in May 1995 as the holding company for a worldwide business engaged in one line of business, the development, manufacturing, marketing, sales and service of semiconductor assembly equipment for the global semiconductor and electronics industries. We are a global company with headquarters at Ratio 6, 6921 RW Duiven, the Netherlands. We operate seven facilities in Asia and Europe for production and development activities as well as eight sales and service offices across Europe, Asia and North America.

The interim financial report for the six months ended June 30, 2019 consists of the condensed interim consolidated financial statements, the management report and responsibility statement by the Company's Board of Management. The information in this interim financial report is unaudited.

The Board of Management of the Company hereby declares that to the best of their knowledge, the semi-annual financial statements, which have been prepared in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit of the Company and the undertakings included in the consolidation taken as a whole, and the semi-annual management report gives a fair review of the information required pursuant to section 5:25d(8)/(9) of the Dutch Financial Markets Supervision Act (Wet op het financieel toezicht).

Performance

For H1-19, Besi's revenue decreased by 44.9% vs. H1-18. The decrease was broad based across Besi's product portfolio and end markets in an ongoing industry downturn. Similarly, orders decreased by 43.2% with particular weakness in high-end mobile and automotive applications. Orders by IDMs and subcontractors represented 68% and 32%, respectively, of Besi's total H1-19 orders vs. 62% and 38%, respectively, in H1-18.

Similarly, Besi's H1-19 net income of € 28.4 million decreased by € 55.9 million, or 66.3% vs. H1-18 due primarily to its 44.9% year over year revenue decrease and slightly lower gross margins partially offset by a € 13.3 million reduction in operating expenses and a lower effective tax rate.

At June 30, 2019, cash and deposits aggregated € 361.7 million and net cash was € 86.1 million. As compared to December 31, 2018, Besi's net cash and deposits decreased by € 113.3 million mainly due to (i) € 122.4 million of cash dividend payments (ii) € 25.5 million of share repurchases and (iii) 5.9 million of capitalized development spending, partly offset by cash flow from operations of € 45.1 million.

Risks and uncertainties

In our Annual Report 2018, we have extensively described certain risk categories and risk factors, which could have a material adverse effect on our financial position and results. The Company believes that the risks identified for the second half of 2019 are in line with the risks that Besi presented in its Annual Report 2018.

Demand for semiconductor devices and expenditures for the equipment required to assemble semiconductors is highly cyclical, depending in large part on levels of demand worldwide for smart phones, tablets and other personal productivity devices, computing and peripheral equipment and automotive and industrial components, as well as the production capacity of global semiconductor manufacturers. Furthermore, a rise or fall in the level of sales of semiconductor equipment typically lags any downturn or recovery in the semiconductor market by approximately three to six months due to the lead times associated with the production of semiconductor equipment.

Outlook

Based on its June 30, 2019 order backlog and feedback from customers, Besi forecasts for Q3-19 that:

- Revenue will decrease by approximately 10% vs. the € 92.7 million reported in Q2-19.
- Gross margin will range between 55-57% vs. the 56.0% realized in Q2-19.
- Operating expenses will decrease by 0-5% vs. the € 26.8 million reported in Q2-19.

Duiven, July 25, 2019

Richard W. Blickman
President & CEO

Condensed Interim Consolidated Statement of Financial Position

(euro in thousands)	Note	June 30, 2019 (unaudited)	December 31, 2018 (audited)
Assets			
Cash and cash equivalents		231,729	295,539
Deposits		130,000	130,000
Trade receivables		92,526	106,347
Inventories		59,517	60,237
Income tax receivable		1,377	159
Other receivables		5,744	8,015
Prepayments		2,495	3,322
Total current assets		**523,388**	**603,619**
Property, plant and equipment		26,478	28,551
Right of use assets		12,535	-
Goodwill		45,157	45,099
Other intangible assets		39,439	38,334
Deferred tax assets		4,208	4,769
Deposits		-	50,000
Other non-current assets		2,313	2,317
Total non-current assets		**130,130**	**169,070**
Total assets		**653,518**	**772,689**
Liabilities and equity			
Notes payable to banks		-	2,812
Current portion of long-term debt		1,472	1,502
Trade payables		32,054	33,158
Income tax payable		5,314	15,704
Provisions		4,121	5,201
Other payables		21,403	26,375
Other current liabilities		18,620	16,174
Total current liabilities		**82,984**	**100,926**
Long-term debt		274,165	271,824
Lease liabilities		9,154	-
Deferred tax liabilities		10,591	10,244
Provisions		14,340	15,013
Other non-current liabilities		1,359	2,494
Total non-current liabilities		**309,609**	**299,575**
Share capital		800	800
Share premium		177,101	197,280
Retained earnings		30,485	125,859
Other reserves		52,539	48,249
Total equity		**260,925**	**372,188**
Total liabilities and equity		**653,518**	**772,689**

Condensed Interim Consolidated Statement of Comprehensive Income

(euro in thousands)	For the six months ended June 30, 2019 (unaudited)	2018 (unaudited)
Revenue	174,107	316,036
Cost of sales	76,733	137,368
Gross profit	**97,374**	**178,668**
Selling, general and administrative expenses	39,184	51,984
Research and development expenses	18,321	18,836
Total operating expenses	**57,505**	**70,820**
Operating income	**39,869**	**107,848**
Financial income	129	36
Financial expense	(7,268)	(9,416)
Income before taxes	**32,730**	**98,468**
Income tax	4,319	14,209
Net income	**28,411**	**84,259**
Other comprehensive income (loss) (will be reclassified subsequently to profit and loss when specific conditions are met):		
Exchange rate changes for the period	1,465	2,113
Actuarial gain (loss) net of income tax	887	1,269
Unrealized hedging results	572	(1,980)
Other comprehensive income (loss) for the period, net of income tax	2,924	1,402
Total comprehensive income for the period	**31,335**	**85,661**
Net Income per share [1]		
Basic	0.39	1.13
Diluted [2]	0.38	1.03
Weighted average number of shares used to compute income per share [1]		
Basic	73,142,645	74,620,489
Diluted	83,568,974	84,654,881

[1] Share amounts in 2018 have been adjusted for the two for one stock split effected in May 2018

[2] The calculation of the diluted income per share for the six months ended June 30, 2019 and 2018 assumes the exercise of the equity-settled share-based payments. The calculation also assumes the conversion of the Company's Convertible Notes due 2023 and 2024 respectively as such conversion would have a dilutive effect.

Condensed Interim Consolidated Statement of Changes in Equity

(euro in thousands, except share data)	**Number of Ordinary Shares outstanding[1]**	**Share capital**	**Share premium**	**Retained earnings**	**Other reserves**	**Total equity**
Balance at January 1, 2019	80,067,842	800	197,280	125,859	48,249	372,188
Currency translation differences	-	-	-	-	1,465	1,465
Actuarial gain (loss)	-	-	-	-	887	887
Unrealized hedging results	-	-	-	-	572	572
Other comprehensive income	-	-	-	-	2,924	2,924
Net income (loss)	-	-	-	28,411	-	28,411
Total comprehensive income for the period	-	-	-	28,411	2,924	31,335
Dividends paid to owners of the Company	-	-	-	(122,419)	-	(122,419)
Legal reserve	-	-	-	(1,366)	1,366	-
Equity-settled share-based payments	-	-	5,341	-	-	5,341
Purchase of treasury shares	-	-	(25,520)	-	-	(25,520)
Balance at June 30, 2019 (unaudited)	**80,067,842**	**800**	**177,101**	**30,485**	**52,539**	**260,925**
Balance at January 1, 2018	40,033,921	400	222,322	173,380	38,030	434,132
Effect of adoption of new accounting standards	-	-	-	(6,188)	-	(6,188)
Balance at January 1, 2018 adjusted	40,033,921	400	222,322	167,192	38,030	427,944
Currency translation differences	-	-	-	-	2,113	2,113
Actuarial gain (loss)	-	-	-	-	1,269	1,269
Unrealized hedging results	-	-	-	-	(1,980)	(1,980)
Other comprehensive income	-	-	-	-	1,402	1,402
Net income	-	-	-	84,259	-	84,259
Total comprehensive income for the period	-	-	-	84,259	1,402	85,661
Dividend paid to owners of the Company	-	-	-	(174,018)	-	(174,018)
Legal reserve	-	-	-	(2,171)	2,171	-
Equity-settled share-based payments	-	-	8,459	-	-	8,459
Purchase of treasury shares	-	-	(11,313)	-	-	(11,313)
Stock split[2]	40,033,921	400	(400)	-	-	-
Balance at June 30, 2018 (unaudited)	**80,067,842**	**800**	**219,068**	**75,262**	**41,603**	**336,733**

[1] The outstanding number of Ordinary Shares includes 7,165,678 and 6,498,231 treasury shares (after two for one stock split) at June 30, 2019 and at January 1, 2019, respectively (5,197,406 at June 30, 2018 (after two for one stock split) and 2,758,382 (before two for one stock split at January 1, 2018).

[2] At the AGM of April 26, 2018, the General Meeting of Shareholders approved a stock split of the Company's shares whereby each issued share was split into two shares.

Condensed Interim Consolidated Statement of Cash Flows

(euro in thousands)	For the six months ended June 30, 2019 (unaudited)	2018 (unaudited)
Cash flows from operating activities:		
Income before income tax	32,730	98,468
Depreciation, amortization and impairment	9,773	6,940
Share-based payment expense	5,341	8,459
Financial expense, net	7,139	9,380
Effects of changes in working capital	7,616	(42,221)
Income tax received (paid)	(15,107)	(16,623)
Interest received	-	7
Interest paid	(2,434)	(2,531)
Net cash provided by operating activities	**45,058**	**61,879**
Cash flows from investing activities:		
Capital expenditures	(863)	(3,926)
Capitalized development expenses	(5,913)	(6,088)
Repayment of deposits	50,000	-
Investment in deposits	-	(180,000)
Net cash provided by (used in) investing activities	**43,224**	**(190,014)**
Cash flows from financing activities:		
Proceeds from (payments of) bank lines of credit	(2,812)	2,372
Proceeds from debts	11	301
Payments of lease liabilities	(1,781)	-
Dividend paid to shareholders	(122,419)	(174,018)
Purchase treasury shares	(25,520)	(12,000)
Net cash used in financing activities	**(152,521)**	**(183,345)**
Net change in cash and cash equivalents	(64,239)	(311,480)
Effect of changes in exchange rates on cash and cash equivalents	429	(869)
Cash and cash equivalents at beginning of the period	295,539	527,806
Cash and cash equivalents at end of the period	**231,729**	**215,457**

Notes to the Condensed Interim Consolidated Financial Statements

1. Corporate information

BE Semiconductor Industries N.V. ("Besi" or "the Company") was incorporated in the Netherlands in May 1995 as the holding company for a worldwide business engaged in one line of business, the development, production, marketing and sales of back-end equipment for the semiconductor industry. Besi's principal operations are in the Netherlands, Switzerland, Austria and Asia. Besi's principal executive office is located at Ratio 6, 6921 RW, Duiven, the Netherlands. Statutory seat of the Company is Amsterdam, number at Chamber of Commerce is 09092395.

2. Basis of preparation and changes to the Company's accounting policies

2.1 Basis of preparation

The interim condensed consolidated financial statements for the six months ended June 30, 2019 have been prepared in accordance with IAS 34 *Interim Financial Reporting*.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Besi's annual consolidated financial statements as at December 31, 2018.

2.2. New standard adopted by the Company

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those applied in the IFRS consolidated financial statements for the year ended December 31, 2018, except for the adoption of new standards effective as of January 1, 2019.

The Company applies, for the first time, IFRS 16 *Leases.*

Several other amendments and interpretations apply for the first time in 2019, but do not have an impact on the interim consolidated financial statements.

IFRS 16 - Leases

IFRS 16 replaces existing leases guidance, including IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases – Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease.*

IFRS 16 specifies the recognition, measurement, presentation and disclosure of leases. The standard provides a single lessee accounting model, requiring lessees to recognize a right-to-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items, which the Company will apply. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. IFRS 16 was issued in January 2016 and applies to annual reporting periods beginning on or after January 1, 2019.

The Company has applied IFRS 16 using the modified retrospective approach. Accordingly, the comparative information presented for 2019 has not been restated – i.e. it is presented, as previously reported, under IAS 17 and related interpretations. The Company also elected to use the recognition exemptions for lease contracts that, at commencement date have a lease term of 12 months or less and do not contain a purchase option ("short-term leases") and lease contract for which the underlying asset is of low value ("low value assets").

The Company has applied the practical expedient to grandfather the definition of a lease on transition as well the Company has chosen to exclude initial direct costs from the measurement of the right-of-use asset at the date of initial application. This means that it will apply IFRS 16 to all contracts entered into before January 1, 2019 and identified as leases in accordance with IAS 17 and IFRIC 4.

Impact on transition as of January 1, 2019 and for the six months ended June 30, 2019
On transition to IFRS 16, the Company recognized right-of-use assets and lease liabilities. The impact on transition is summarized below:

(euro in thousands)	January 1, 2019
Right-of-use assets	14,293
Lease liabilities – long term	10,869
Lease liabilities – short term	3,424

In the first six months of 2019, no significant additions or changes have been made to the right-of-use assets, other than straight-line depreciation expenses.

The transition to IFRS 16 has no impact on the retained earnings at January 1, 2019

Accounting principles

Right-of-use assets
The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities
At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets
The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value (i.e., below €5,000). Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Significant judgement in determining the lease term of contracts with renewal options
The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.
The Company has the option, under some of its leases to lease the assets for additional terms of three to five years. The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

2.3 Segment information

Operating segments
The Company is engaged in one line of business, the development, manufacturing, marketing, sales and service of semiconductor assembly equipment for the global semiconductor and electronics industries. The Company identifies three operating segments (Product Groups). These Product Groups are Die Attach, Packaging and Plating. The chief operating decision maker reviews each Product Group in detail and all operational functions are allocated to these Product Groups: 1) Product Marketing, 2) Research and Development, 3) Product Group management, 4) Customer Project management and 5) Operations. Corporate functions (Finance, Legal, Human Resources and Sales & Service) do not qualify as operating segments. Hence, Besi identifies three operating segments which meet the IFRS 8 criteria.

Reportable segment

IFRS 8 allows for operating segments to be aggregated into reportable segments if the operating segments share similar economic characteristics. The Company deems the three operating segments to meet the aggregation criteria, as the nature of the products and services, production processes, classes of customer and methods used to distribute the products and provide services and gross margins are similar. Hence the three Product Groups are aggregated into a single reporting segment; the development, manufacturing, marketing, sales and service of assembly equipment for the semiconductor's back-end segment.

3. Dividend

In April 2019, the Company announced a dividend payment of € 1.67 per ordinary share. The dividend was payable fully in cash. The Company paid an amount of € 122.4 million to shareholders in May 2019.

4. Share repurchase program

On July 26, 2018, Besi announced a new € 75 million share repurchase program through October 26, 2019 (the "2018 program") which represented approximately 4.2% of shares outstanding at such date. The repurchase program was initiated for capital reduction purposes and to help offset dilution associated with Besi's 2016 and 2017 Convertible Notes and share issuance under employee stock plans.

During the six months ended June 30, 2019, Besi repurchased 1,145,216 of its ordinary shares at an average price of € 22.26 per share for a total of € 25.5 million. Cumulatively, as of June 30, 2019, a total of 2.4 million shares have been purchased under the 2018 program at an average price of € 20.23 per share for a total of € 48.0 million. Regular repurchase activity continues in 2019.

At present, Besi has shareholder authorization to purchase up to an aggregate of 10% of its ordinary shares outstanding (approximately 8.0 million shares) until October 26, 2020.

5. Revenue from contracts with customers

The following table disaggregates the geographical distribution on the Company's revenue billed to customers:

(euro in thousands)	**Six months ended June 30,**	
	2019	**2018**
China	51,195	102,654
Malaysia	18,806	26,908
Taiwan	14,705	37,168
United States	13,130	17,437
Ireland	12,930	58,266
Korea	8,994	7,056
Other Asia Pacific	33,053	38,748
Other Europe	20,243	27,188
Rest of the World	1,051	611
Total revenue	**174,107**	**316,036**

The following table disaggregates the Company's revenue of the three different operating segments (Product Groups):

(euro in thousands)	Six months ended June 30, 2019	2018
Die Attach	130,369	247,766
Packaging	35,318	55,339
Plating	8,420	12,931
Total revenue	**174,107**	**316,036**

6. Financial instruments

The Company assumes that the book value of the Company's financial instruments, which consist of cash and cash equivalents, deposits, trade receivables and accounts payable, does not significantly differ from their fair value due to the short maturity of those instruments and to the fact that interest rates are floating or approximate the rates currently available to the Company. For the valuation of the Convertible Notes reference is made to Note 19 of the Annual Report 2018.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The fair values of financial assets and financial liabilities, together with the carrying amounts in the Consolidated Statements of Financial Position, are as follows:

(euro in thousands)	June 30, 2019 (unaudited) Carrying amount	Fair value
Financial assets		
Forward exchange contracts	391	391
Total	**391**	**391**
Financial liabilities		
Forward exchange contracts	20	20
Long-term debt	274,165	320,261
Total	**274,185**	**320,281**

There were no transfers between levels during the six months ended June 30, 2019 and the year ended and December 31, 2018.

The only recurring fair value measurement is the valuation of forward exchange contracts for hedging purposes. According to IFRS 13 this measurement is categorized as Level 2. Non-recurring fair value measurements were not applicable in the reporting period.

7. Event after balance sheet date

On July 24, 2019 Besi entered into an € 80 million, multi-currency revolving credit facility, which has a five-year term with two one-year extension options and can be expanded to a total of € 136 million principal amount. Borrowings under the credit facility can be repaid at any time at 100% of principal amount and can be used for working capital and other corporate purposes.